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SUBSIDIARY BODY FOR IMPLEMENTATION

REPORT OF THE SUBSIDIARY BODY FOR IMPLEMENTATION ON ITS FOURTEENTH SESSION BONN, 24-27 JULY 2001

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I. OPENING OF THE SESSION
(Agenda item 1)

1. The fourteenth session of the Subsidiary Body for Implementation (SBI) was held at the Hotel Maritim, Bonn, Germany from 24 to 27 July 2001.

2. The Chairman of the SBI, Mr. John Ashe (Antigua and Barbuda), opened the session on 24 July 2001 and welcomed all Parties and observers to the session. He noted that to date, a total of 186 Parties had ratified or acceded to the United Nations Framework Convention on Climate Change, the most recent being Angola, Bosnia and Herzegovina, Equatorial Guinea, Kyrgyzstan and Yugoslavia. The Chairman remarked that as at 15 July 2001, 35 Parties had ratified or acceded to the Kyoto Protocol, the most recent being the Gambia.

3. The Chairman explained that, in order to allow delegations to focus on the important tasks of the resumed sixth session of the Conference of the Parties (COP), the provisional agenda had been kept to a minimum. It included an item on progress reports on inter-sessional activities undertaken by the secretariat since the thirteenth session of the SBI and administrative matters which could not be deferred, leaving a number of substantive items not included in the COP agenda for consideration by the SBI at its fifteenth session.

II. ORGANIZATIONAL MATTERS
(Agenda item 2)

A. Adoption of the agenda
(Agenda item 2 (a))

4. At its 1st meeting, on 24 July, the SBI considered the provisional agenda contained in document FCCC/SBI/2001/1.

5. The SBI adopted the following agenda:

1. Opening of the session.

2. Organizational matters:

   (a) Adoption of the agenda;

   (b) Organization of the work of the session;

   (c) Election of officers other than the Chairman.

3. Reports on inter-sessional activities:

   (a) Further work concerning least developed countries;

   (b) Work of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention;

(c) Ongoing activities on reporting and review of greenhouse gas inventories in Parties included in Annex I to the Convention (implementing decisions 3/CP.5 and 6/CP.5).

4. Administrative and financial matters:

(a) Financial performance 2000-2001;

(b) Programme budget for the biennium 2002-2003;

(c) Implementation of the Headquarters Agreement;

(d) Institutional linkage of the UNFCCC secretariat to the United Nations;

(e) Juridical personality of the Convention secretariat on the international plane.

5. Any matters referred to the Subsidiary Body for Implementation by the Conference of the Parties.

6. Report on the session.

6. The Chairman informed the Parties that during the present sessions of the subsidiary bodies, no items needed to be considered jointly by both bodies.

B. Organization of the work of the session
(Agenda item 2 (b))

7. The SBI considered this sub-item at its 1st meeting on 24 July. It had before it document FCCC/SBI/2001/1. At the same meeting, Parties were provided with an update on the status of documentation and the suggested schedule of work.

C. Election of officers other than the Chairman
(Agenda item 2 (c))

1. Proceedings

8. The SBI considered this sub-item at its 1st and 2nd meetings, on 24 and 27 July respectively. It had before it document FCCC/SBI/2001/1.

9. At the 1st meeting, the Chairman informed the SBI that, according to rule 27 of the draft rules of procedure being applied, the SBI was expected to elect its Vice-Chairman and Rapporteur. He thanked the current incumbents who had been serving since February 1999 and urged that an early agreement be reached on nominations by the regional groups. At the same meeting the Chairman stated that he had held consultations with the coordinators of the regional groups regarding nominations for the vacant positions of the subsidiary bodies, with a view to

their early election. He said that he would keep delegates informed of any progress made and requested the current officers of the SBI to continue in office until their successors were elected.

2. Conclusions

10. At its 2nd meeting, on 27 July, the SBI invited the Chairman to continue consultations on the election of the other officers of the SBI with a view to the election being completed during the seventh session of the Conference of the Parties. It requested the current officers of the SBI to continue in office until their successors were elected.

III. REPORTS ON INTER-SESSIONAL ACTIVITIES

(Agenda item 3)

A. Further work concerning least developed countries

(Agenda item 3 (a))

1. Proceedings

11. The SBI considered this sub-item at its 1st and 2nd meetings, on 24 and 27 July respectively. It had before it documents FCCC/SBI/2001/6 and FCCC/SBI/2001/7. At the 1st meeting, on 24 July, a representative of the group of the least developed countries presented a report on behalf of the coordinator of the group (Vanuatu) on the steps taken to fulfil the mandate given by the Conference of the Parties at the first part of its sixth session, relating to input to the Third United Nations Conference on the Least Developed Countries, which was held in Brussels from 14 to 21 May 2001 (FCCC/CP/2000/5/Add.2).

12. At the same meeting, the SBI considered the report of the workshop to develop draft guidelines for the preparation of national adaptation programmes of action (NAPA) contained in document FCCC/SBI/2001/7. Tuvalu, on behalf of the group of the least developed countries, reported that further work was still needed on developing the above-mentioned guidelines, and that Maldives had offered to host a workshop at which this issue would be discussed.

13. Also at the 1st meeting, the SBI considered document FCCC/SBI/2001/6 on the institutional development needs of the least developed countries.

14. Statements were made by the representatives of four Parties, including two speaking on behalf of the group of the least developed countries.

2. Conclusions

15. At its 2nd meeting, on 27 July, the SBI took note of the oral report provided by Tuvalu, on behalf of the group of the least developed countries, on the steps taken to provide input to the Third United Nations Conference on the Least Developed Countries. The SBI also took note of the report of the workshop to develop draft guidelines for the preparation of national adaptation programmes of action and noted the progress made in the preparation of these guidelines. To this end, the SBI requested the secretariat to organize the workshop mentioned in paragraph 12 above, to assist the least developed country Parties in preparing for negotiations at the seventh session of the COP, and in further developing the NAPA guidelines. It expressed its appreciation to Maldives for its offer to host this workshop. The SBI requested that document FCCC/SBI/2001/7 be brought to the attention of the SBSTA.

16. At its 2nd meeting, on 27 July, the SBI took note of document FCCC/SBI/2001/6 on the institutional development needs of the least developed countries. It invited those least developed country Parties which had not yet submitted information on their institutional development needs to do so.

B. Work of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention

(Agenda item 3 (b))

1. Proceedings

17. The SBI considered this sub-item at its 1st and 2nd meetings, on 24 and 27 July respectively. It had before it documents FCCC/SBI/2001/2, FCCC/SBI/2001/3, FCCC/SBI/2001/8 and FCCC/SBI/2001/INF.1.

18. At the first meeting, the Chairman of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE) made a presentation on the preliminary report of the CGE to the subsidiary bodies (FCCC/SBI/2001/8). At that meeting, statements were made by the representatives of 11 Parties, including one speaking on behalf of the Group of 77 and China.

19. At the same meeting, the SBI acknowledged with appreciation the excellent work done by the CGE and established a "friends of the Chair" group chaired by Mr. Philip Weech (Bahamas) to consider the preliminary report of the CGE.

20. At the 2nd meeting, on 27 July, Mr. Weech provided a report on the conclusions reached by the "friends of the Chair".

2. Conclusions

21. At its 1st meeting, on 24 July, the SBI took note of the information contained in the reports of the second and third meetings of the CGE (FCCC/SBI/2001/2 and FCCC/SBI/2001/3), and the CGE interregional workshop (FCCC/SBI/2001/INF.1). It also took note of the information contained in the preliminary report of the CGE (FCCC/SBI/2001/8).

22. The SBI invited Parties to submit to the secretariat, by 15 September 2001, views on:

(a) The preliminary report of the CGE;

(b) The current progress of the process aimed at the improvement of guidelines for subsequent national communications of Parties not included in Annex I to the Convention (non-Annex I Parties), in accordance with decision 8/CP.5.[1]

23. The SBI requested the secretariat to compile these submissions in a miscellaneous document and to prepare a consolidated report on Parties' views on the issues indicated in paragraph 22 above, for consideration by the SBI at its fifteenth session.

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[1] For the full texts of decisions adopted by the Conference of the Parties at its fifth session, see document FCCC/CP/1999/6/Add.1.

C. Ongoing activities on reporting and review of greenhouse gas inventories in Parties included in Annex I to the Convention (implementing decisions 3/CP.5 and 6/CP.5)

(Agenda item 3 (c))

1. Proceedings

24. The SBI considered this sub-item at its 1st and 2nd meetings, on 24 and 27 July, respectively.

25. The Chairman informed the SBI that the COP, by its decision 6/CP.5, had adopted guidelines for the technical review of greenhouse gas (GHG) inventories from Parties included in Annex I to the Convention (Annex I Parties) for a trial period covering inventory submissions due in 2000 and 2001. By the same decision, it had requested the secretariat to conduct annual initial checks and to make an annual synthesis and assessment of GHG inventories for all Annex I Parties beginning in 2000, in accordance with the provisions of the review guidelines. It had also requested the secretariat to conduct, during this trial period, reviews of the inventories of individual Parties using different approaches, namely desk, centralized and in-country reviews.

26. At the 1st meeting, the Chairman recalled that the COP, by its decision 3/CP.5, had adopted the guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual inventories, which were to be used by Annex I Parties for the reporting of inventories due by 15 April each year, beginning in the year 2000. A two-year trial period had been established to assess these guidelines.

27. At the same meeting, an oral report was made by a representative of the secretariat on the ongoing and planned activities for implementing decisions 3/CP.5 and 6/CP.5.

28. Statements were made by the representatives of two Parties.

2. Conclusions

29. At its 1st meeting, on 24 July, the SBI took note of the oral report by the secretariat on the ongoing and planned activities for implementing decisions 3/CP.5 and 6/CP.5.

D. Proposal by Japan for a meeting on policies and measures

30. At its 2nd meeting, on 27 July, the SBI took note that Japan was considering tabling a draft decision for consideration and possible adoption at the next session of the Conference of the Parties, on convening a special meeting, to be held during the eighth session of the Conference of the Parties, for the purpose of exchanging experience on domestic actions.

IV. ADMINISTRATIVE AND FINANCIAL MATTERS
(Agenda item 4)

A. Financial performance 2000-2001
(Agenda item 4 (a))

1. Proceedings

31. The SBI considered this sub-item at its 1st and 2nd meetings, on 24 and 27 July respectively. It had before it documents FCCC/SBI/2001/INF.2 and FCCC/SBI/2001/INF.3/Rev.1.

32. Statements were made by the representatives of 11 Parties, including one speaking on behalf of the Group of 77 and China and one speaking on behalf of the African Group.

33. Three Parties informed the SBI that their latest contributions had not been reflected in document FCCC/SBI/2001/INF.3/Rev.1. The delegations concerned were encouraged to approach the secretariat with written evidence of transfer of funds in order to enable further investigations to be made with the United Nations Treasury.

34. A few Parties sought clarification regarding the impact the revised United Nations scale of assessments would have on the indicative contributions to the Convention, particularly with respect to determining ceilings. In its reply, the secretariat drew the attention of the SBI to the financial procedures of the Convention, which stipulate that contributions should be "based on such a scale of assessments of the United Nations as may be adopted from time to time by the General Assembly" (FCCC/CP/1995/7/Add.1, decision 15/CP.1, annex I, para. 7 (a)).

2. Conclusions

35. At its 2nd meeting, on 27 July, after considering the documents prepared by the secretariat on the revised indicative contributions and the latest status of contributions, the SBI took note of the information contained therein and expressed its appreciation to the Parties which had paid their contributions to the core budget in time, and particularly to those Parties that had made voluntary contributions to the Trust Fund for Participation in the UNFCCC Process and the Trust Fund for Supplementary Activities. It urged Parties that had not yet made their contributions to do so as soon as possible.

B. Programme budget for the biennium 2002-2003
(Agenda item 4 (b))

1. Proceedings

36. At its 1st and 2nd meetings, on 24 and 27 July respectively, the SBI considered the proposed programme budget for the biennium 2002-2003. The Executive Secretary presented the proposed programme budget as contained in documents FCCC/SBI/2001/4 and Add.1. The SBI invited the Chairman to commence informal consultations on the proposed programme budget for the biennium 2002-2003.

37. At its 2nd meeting, on 27 July, the Chairman informed the SBI of the outcome of informal consultations that he had conducted on the proposed programme budget for the biennium 2002-2003.

38. Statements were made by the representatives of four Parties, including one speaking on behalf of the Group of 77 and China and one speaking on behalf of the African Group. The Executive Secretary responded to questions and made concluding remarks.

2. Conclusions

39. At its 2nd meeting, on 27 July, having considered the Chairman's oral report on the results of his informal consultations, the SBI agreed to recommend a total programme budget, including contingencies, of US$ 32,837,100 to the Conference of the Parties at its seventh session.

40. In addition, it agreed to propose a contingency budget for conference servicing amounting to US$ 5,661,900, to be added to the programme budget for 2002-2003 in the event that the General Assembly of the United Nations decides not to provide resources for these activities in the United Nations regular budget for the same biennium.

41. It also authorized the Executive Secretary to notify Parties of their indicative 2002 contributions based on the recommended budget, after drawing up to US$ 5 million from the available resources carried over from the current and previous financial periods, and taking into account the special annual contribution from the host Government of the equivalent of DM 1.5 million.

42. The SBI requested the Executive Secretary to propose a revised programme budget including a revised staffing table, on this basis, taking into account, *inter alia*, the budgetary implications of the decisions adopted by the COP at its sixth session, for consideration by the SBI at its fifteenth session.

43. The SBI commended the efforts of the Executive Secretary and his senior managers to ensure the highest standards of efficiency, competence and integrity in the staffing of the UNFCCC secretariat, while paying due regard to the importance of recruiting the staff on as wide a geographical basis as possible, in accordance with Article 101.3 of the United Nations Charter, as well as of promoting gender balance.

44. The SBI noted that, as indicated in the proposal by the Executive Secretary contained in document FCCC/SBI/2001/4, the incoming Executive Secretary would enjoy managerial flexibility in implementing the programme budget.

C. Implementation of the Headquarters Agreement

(Agenda item 4 (c))

1. Proceedings

45. The SBI considered this sub-item at its 1st and 2nd meetings, on 24 and 27 July respectively. The Executive Secretary explained that a solution to the need for adequate office space for the Convention secretariat in the medium term was still under discussion with the host Government. The current interim solution involving the provision of overflow premises had proved workable. However, the secretariat looked forward to being reunited in premises that

would meet its needs. He stated that the offer of space by the host Government to the secretariats of the UNFCCC and the United Nations Convention to Combat Desertification had been judged inadequate.

46. Adding to the statement of the Executive Secretary, the Coordinator, Information, Outreach and Administrative Services (IOAS), reported that the secretariat had noticed a marked improvement since the last report was made to the SBI, in the issuance of visas for dependent children studying abroad, work permits for spouse, and dependent children, travel in and out of Germany, and visas for visiting family members. In addition, improvements had also been noted in respect of the issuance of visas for new staff members, consultants and experts working with the secretariat and participants in workshops, meetings and conferences. He explained that negotiations would continue on a number of related issues which were part of the continuing process of implementing the Headquarters Agreement.

47. The representative of Germany informed the SBI that his Government was holding continuous consultations with the various United Nations organizations in Bonn and was working hard with counterpart ministries to finalize the plan for a United Nations Campus. He welcomed the remarks by the secretariat on the interim office space provided and the improvements noted on other issues. Referring to the issuance of visas, the representative of Germany stated that no delegate had reported problems in obtaining a visa to attend the current Conference of the Parties; if there were any problems, his delegation should be contacted.

48. The representative of one Party proposed the creation of a representative group of Parties to monitor the fulfilment of the Headquarters Agreement and to consider with the host Government matters relating to it, in order to support the negotiations of the secretariat.

49. The representative of another Party opposed the creation of such a group.

2. Conclusions

50. At its 1st and 2nd meetings, on 24 and 27 July respectively, the SBI took note of the statements made by the Executive Secretary, the Coordinator, IOAS, and the host Government. The SBI thanked the host Government for its efforts to provide acceptable office accommodation for the Convention secretariat and invited the host Government and the secretariat to continue their negotiations to resolve this important issue by the earliest possible date. The SBI asked the host Government and the secretariat to provide a progress report on this and matters relating to the Headquarters Agreement at its next session.

D. Institutional linkage of the UNFCCC secretariat to the United Nations

(Agenda item 4 (d))

1. Proceedings

51. The SBI considered this sub-item at its 1st and 2nd meetings, on 24 and 27 July respectively. It had before it document FCCC/SBI/2001/5. The Executive Secretary, introducing the sub-item, recalled decision 22/CP.5, which approved the continuation of the institutional linkage, subject to review not later than 31 December 2001.

52. The Executive Secretary introduced document FCCC/SBI/2001/5, which described the state of this linkage as being satisfactory. He drew attention to the consultations which had taken place with relevant officials of the United Nations and to the recommendation of the Secretary-General of the United Nations that the institutional linkage be extended for a further five years.

53. A statement was made by the representative of one Party.

2. Conclusions

54. At its 1st meeting, on 24 July, the SBI took note of the oral statement made by the Executive Secretary and the related document FCCC/SBI/2001/5.

55. At its 2nd meeting, on 27 July, having considered a proposal by the Chairman, the SBI decided to recommend a draft decision (FCCC/CP/2001/L.8) on the institutional linkage of the UNFCCC secretariat to the United Nations for consideration by the COP at its resumed sixth session.

E. Juridical personality of the Convention secretariat on the international plane
(Agenda item 4 (e))

1. Proceedings

56. The SBI considered this sub-item at its 1st and 2nd meetings, on 24 and 27 July respectively.

57. A statement was made by the representative of one Party.

2. Conclusions

58. At its 2nd meeting, on 27 July, the SBI took note of the fact that the Convention secretariat was vested with juridical personality in Germany where the headquarters of the secretariat is located and further noted that the absence of juridical personality on the international plane had not inhibited the secretariat in the effective performance of its functions. The SBI decided to hold the issue in abeyance and revisit the matter at a future date if the status of the secretariat should necessitate that it be vested with juridical personality on the international plane.

V. ANY MATTERS REFERRED TO THE SUBSIDIARY BODY FOR IMPLEMENTATION BY THE CONFERENCE OF THE PARTIES
(Agenda item 5)

59. Since no matters had been referred by the COP to the SBI, this agenda item was not taken up.

VI. OTHER MATTERS

60. At its 2nd meeting, on 27 July, the SBI took note of the proposed workshop on adaptation, to be held under the auspices of the Alliance of Small Island States (AOSIS), and of the request of the Chairman of AOSIS for assistance from donors, the Global Environment Facility and the

secretariat, to enable the Alliance to conduct the workshop in the last quarter of 2001 and report on its outcome to a future session of the SBI.

VII. REPORT ON THE SESSION
(Agenda item 6)

61. At its 2nd meeting, on 27 July, the SBI considered the draft report on its fourteenth session (FCCC/SBI/2001/L.1). At the same meeting, on a proposal by the Chairman, the SBI authorized the Rapporteur, with the assistance of the secretariat, to complete the report of the session, under the guidance of the Chairman.

VIII. CLOSURE OF THE SESSION

62. At the final meeting, on 27 July, the Chairman thanked representatives and the chairpersons of the informal consultations for their contributions.

Annex

LIST OF DOCUMENTS BEFORE THE SUBSIDIARY BODY FOR IMPLEMENTATION AT ITS FOURTEENTH SESSION

FCCC/SBI/2000/17	Report of the Subsidiary Body for Implementation on the second part of its thirteenth session, The Hague, 13-18 November 2000
FCCC/SBI/2001/1	Provisional agenda and annotations. Note by the Executive Secretary
FCCC/SBI/2001/2	Report of the second meeting of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention
FCCC/SBI/2001/3	Report of the third meeting of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention
FCCC/SBI/2001/4 and Add.1	Administrative and financial matters. Programme budget for the biennium 2002-2003. Proposed programme budget of the Convention. Note by the Executive Secretary
FCCC/SBI/2001/5	Administrative and financial matters. Institutional linkage of the UNFCCC secretariat to the United Nations. Note by the Executive Secretary
FCCC/SBI/2001/6	Reports on inter-sessional activities. Further work concerning least developed countries. Institutional development needs
FCCC/SBI/2001/7	Further work concerning least developed countries. Workshop to develop draft guidelines for the preparation of national adaptation programmes of action
FCCC/SBI/2001/8	Preliminary report of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention
FCCC/SBI/2001/INF.1	Report of the interregional workshop of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention

FCCC/SBI/2001/INF.2	Administrative and financial matters. Financial performance 2000-2001. Revised indicative contributions for 2001
FCCC/SBI/2001/INF.3/Rev.1	Administrative and financial matters. Income and budget performance in the biennium 2000-2001. Status of contributions as at 16 July 2001

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